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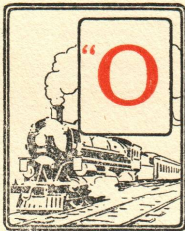
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The PACE STUDENT

Vol. II

New York, November, 1917

No. 12



OUR Country First" was the spirit that pervaded the September convention of accountants at Washington—their first annual convention under the name of the American Institute of Accountants. Simon-pure Americanism was reflected in everything that was said and done, whether at the banquet in the presence of wives and invited guests, or in the meetings of the Council, or along the hotel corridors and lobbies, where old friends came together for a chatty moment or two.

If you inquired about some one whose face you did not see, the chances were that you would find that he had been kept away on Government business. This was the sort of news you heard from every section of the country; and this was the chief reason why, in point of attendance, the convention was somewhat smaller than usual.

One matter—patriotic, of course—to which very special attention was paid was the organization of the accountants in the large centers of population in such a way as to expedite Governmental work. Before the convention closed, a satisfactory plan had been agreed upon. There was no demurring, no halting, on anybody's part. The spirit of patriotic service was in the very air.

Matters of technical and professional interest were by no means wholly disregarded. Important questions of ethics and policy were taken up and settled, at least for the time being. The open meetings were well attended, and there was much stimulating discussion of many mooted points in Accountancy.

Carl H. Nau read a paper on "The Comparative Value of Personal Reputation and Conferred Degrees"; H. C. Freeman, one on "Receivership

Accounting"; Seymour Walton, one on "The Practical Application of Theoretical Knowledge"; and B. D. Kribben, one on "The Contact of Commercial Law and Accounting." These papers, which were exceptionally able, evoked much profitable discussion.

An occurrence of great interest was the pledging of a sufficient endowment fund to establish, in New York, a permanent headquarters for the benefit of members of the Institute, the headquarters to contain a library and a statistical department, and to make a general information service available.

This plan was proposed last February by George O. May, of Price, Waterhouse & Company. Through Mr. May's and his partners' generosity and that of Haskins & Sells, the plan had become almost a reality before the convention assembled. At the convention, additional financial support was pledged by several other Accountancy firms. It will, therefore, be only a matter of a short time before every accountant in the country who is a member of the Institute, will be able to make use of social and professional privileges that will be of very great

value to him in many ways.

W. Sanders Davies, under whose efficient direction the Institute has made much progress in many respects, was elected to succeed himself as president for the coming year. Many of the other officers were reelected. A complete roster of the officers of the Institute for 1917-18 will appear in a later issue of The Pace Student.

ONE significant fact brought out by the cost-plus-profit plan of the Government is that several establishments have not yet installed adequate cost records. If these establishments are to undertake Government contracts, changes in their accounting systems will become necessary.

Convention of American Institute

LEADING ARTICLES

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These changes may go only to the extent of complying with the Government requirements. It is more likely that, in most instances, a complete revision of the system will result. During and after the war these plants will benefit by the increased efficiency possible with a system of accounts that discloses fully the favorable and unfavorable tendencies of their business. A firm foundation for permanent efficiency will thus be laid.

It would be a disaster if the high state of efficiency now being attained by war requirements were only temporary. Competitive conditions after the war will demand the same productive effectiveness as is demanded by emergency conditions during the war. Concerns which now establish complete and adequate cost systems are planning wisely for the future, both as to their individual benefit and as to the benefit of the Nation.

PRACTICING accountants, the country over, are coöperating with the Government in problems of organization and the control of financial matters. The action of Messrs. Nau, Rusk & Swearingen, certified public accountants, of Cleveland, is typical. Fifteen members of their staff were engaged for ten days in the Red Cross campaign, and this engagement will continue to call for the services of two men for one-half of their time for six months. The firm have released a partner and six members of the staff for Federal service in connection with building the Chillicothe cantonment. In addition, various minor patriotic demands have taken the time and attention of the firm.

The following sentence, taken from a recent letter written by Carl H. Nau, states, in Mr. Nau's inimitable style, the situation of practically all Accountancy firms throughout the country: "With our staff all shot to pieces, we have been under the necessity of canceling all vacations for this year, and each one of us is spreading himself over a larger volume of work."

RETAIL sales in packages, instead of in bulk, have been attacked as increasing prices. This charge is usually made by those who have given little attention to the accounting and economic advantages of package goods.

Accountants who have installed systems for retail stores appreciate the value of having a definite selling unit. For example, if all the things sold in the store are in packages, for sale at standard retail prices, the entire retail value of the goods may be quickly ascertained. Inventories may be quickly taken at the retail values.

Assuming sales on an exclusive cash basis, the opening inventory plus additions to stock, less closing inventory—all at the retail prices—would

disclose the amount of cash for which the store is accountable. Many chain stores operate on this principle, and thereby prevent fraud and dishonesty, and save the losses incident thereto.

Although the above is an immediate accounting advantage, it is also indirectly an economic advantage in the saving effected. There are direct economies in package-sales distribution. Those familiar with the old style of parceling out each sale from bulk by weighing or otherwise measuring it, will recall the tremendous material and labor waste involved. Some storekeepers realized this waste under the old conditions, and as to certain goods would weigh or measure out quantities and pack them at certain specified intervals when the clerks were not otherwise occupied. In these cases, there were limitations in applying this principle of labor- and material-saving. Furthermore, the labor-saving was not as great as in the case of the manufacturer, who by reason of machinery would be able to weigh the goods much more quickly, accurately, and economically. Beyond question, package goods have been responsible for a tremendous labor- and material-saving.

Anything which conduces to good health is of economic advantage. Every one remembers how goods in bulk were exposed in most retail stores. Dust, dirt, and insects found their way into the goods. It is impossible to estimate the monetary value of the health-saving advantages of package goods.

In many instances, package goods preserve the quality of the commodity. In other cases, they eliminate fraud on the part of the storekeeper. Possibly you remember the story of the Yankee storekeeper who called to his son: "Johnny, have you put the chicory in the coffee?" "Yes," was the reply. "And the sand in the sugar?" "Yes," "Then, Johnny, you may come in and say your prayers." Sealed packages prevent such fraudulent practices in the present day.

In some instances, the cost of the package may exceed the savings, but in the vast majority of cases the savings will exceed the package cost. Those who hunt for causes of high prices will have to look elsewhere than to package goods.

PENDING action by the Government to provide for the dependents of men in military service, the New York Telephone Company has provided, through its employees' benefit fund, for the dependents of those who leave its service to enter military service.

Arnold C.
Hansen,
Esq.

HE who doesn't use his brain must use his brawn.' A close observance of this motto, which is a free translation of a Danish proverb," said Arnold C. Hansen, controller of the New York Dock Company and the New York Dock Railway, "I have found most profitable as an employee and an employer."

Mr. Hansen was born on January 17, 1879, in Marstal, Denmark. His parents soon after journeyed to America, and, in 1885, he entered the Brooklyn Union Street Public School. Upon graduation from the grammar school, in 1892, young Hansen began work as a clerk in the Agents' Auditing Division of the Erie Railroad Company. From 1892 until September, 1897, Mr. Hansen was employed successively in the office of the Auditor of Disbursements, in the Individuals and Companies Division, and in the Auditor's office in charge of Foreign Roads' Traffic Claims.

In the meantime, Mr. Hansen, realizing that the better trained the man the greater the demand for his services and the larger his salary, studied and successfully completed the subjects of bookkeeping and stenography at the Brooklyn Evening High School.

Because of this unassigned overtime work, Mr. Hansen was prepared when the opportunity arose (in the fall of 1897, when he was but nineteen years of age), to become the general bookkeeper in charge of the General Rent Ledgers of the Buffalo Creek Railroad and the Erie Railroad Companies. During the following year, he prepared the annual reports to the stockholders and the Interstate Commerce Commission, as well as the quarterly and yearly statements required by the authorities of the states of New York, New Jersey, and Pennsylvania.

In May, 1904, Mr. Hansen was made Traveling Auditor for the Erie Railroad, after being chief clerk to the Auditor of Disbursements. "To what do you attribute the fact that you were promoted above older men, both in years and in length of service?" I asked Mr. Hansen.

"To the fact that I was continually asking, 'Why?'" he replied. "I was not satisfied merely to handle my own job; I wanted to see how it affected the work of the other departments, and how my work was affected by that work. Then, too, I did a great deal of studying. In the fall of 1902 I entered, as a junior, the School of Commerce of New York University, and, as far as my

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health and duties permitted me, I was a regular student until 1906. There I studied law as well as accounting."

In 1904, Mr. Hansen, because of his accounting ability, gained by study and practical application, had attracted the attention of the managing officials of the Erie Railroad and was made City Passenger and Ticket Agent at Jersey City, where there were accounting difficulties of a peculiar nature to be straightened out. While doing this work, Mr.



Arnold C. Hansen, Esq.

Controller, New York Dock Company

Hansen designed and prepared blanks for the use of the individual ticket sellers, which have since been adopted by the company and put into use at the larger ticket offices.

"Is there a definite relation between the accounting and the selling departments of an organization?" I asked Mr. Hansen.

"A poor accounting staff," he answered, "can often ruin far more business than the most expert soliciting staff can secure. Many accountants do not grasp the importance of their work. Our successful accountants are those who have not underestimated the value of study and its application to business problems, and, of course, the same may be said of the salesmen. The man who gets out of the groove-

filler class is the one who seeks to get a broad understanding, first of the business in which he is engaged and then of all business."

The career of Mr. Hansen shows conclusively that his rapid promotions required a wider knowledge of business than that demanded by his particular position at the time when he was discharging its duties.

In November, 1906, Mr. Hansen was appointed Auditor of the Bush Terminal Company, the Bush Land Company, and the Bush Terminal Railroad Company, in full charge of the accounting departments of these three companies. His initiative and resourcefulness were manifested here by the way in which the departments were reorganized so as to effect a saving in labor and in money to the company.

Many men would have considered themselves at the top of the ladder at this point and would have proceeded "to hold down the position." Mr. Hansen, however, took and successfully passed an examination for a position as special agent and examiner with the Interstate Commerce Commission. On February 15, 1908, he was appointed Examiner of Accounts. Then, in order to develop himself still further, he enrolled as a student in the College of Political Sciences in George Washington University, Washington, D. C. The continuous traveling, however, required by his new position prevented him from completing the studies he had mapped out.

Mr. Hansen was with the Interstate Commerce Commission for seven years, from February, 1908, to December, 1915. During this period he gained a fund of accounting information at once broad and specific, and much general knowledge. His duties entailed an examination of the various accounts of the railroads of the country. At times he was required to give expert testimony before the courts; but he had to meet and solve many other problems as well, as is evidenced by the following excerpt from the report of his accounting experience which was presented to the New Jersey State Board of Public Accountants in 1911:

"If the carrier (usually a railroad) operates other facilities in connection with its common-carrier business, such as ferry lines, electric railways, cab and omnibus service, canals, grain elevators, stock-yards, hotels and restaurants, cold-storage plants, gas-producing plants, electric-light and power plants, etc., a complete examination and verification of the results of operations of

Who's
Who

Biographical
Sketches
of Men
of Affairs



TAXATION of corporations has reached such proportions as to be unduly burdensome to the smaller corporations. Legislative bodies are prone to enact much of their legislation with an eye solely

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This latter contingency discloses a distinctive advantage of the trust. Control may be based upon other elements than mere ownership.

Rights of minority holders may be maintained by proper representation in the trusteeship.

Mr. Wrightington has written a book, "The Law of Unincorporated Associations and Similar Relations," which may be of interest to those desiring to investigate this form of organization further.

Trusts to the larger corporations.

This situation is presenting an embarrassing problem to the close corporation. S. R. Wrightington, of the Boston Bar, in *Case and Comment*, August, 1917, points out that corporate laws were originally intended to cover only public corporations and the larger business corporations. He furthermore states that recent legislation has carried with it embarrassing restrictions and increasing burdens on purely private and, frequently, individual enterprises, which are appropriate only for quasi-public business concerns.

The leading motive in organizing small corporations is to escape partnership liability. Mr. Wrightington suggests a means of obtaining this limitation of liability without the burdens incident to present corporate form. He suggests what is known as the trust. It will be remembered that, some years ago, in Ohio and in New York, certain monopolies used this form, from which we have derived the name "trust" as a popular synonym for monopoly. Under the trust form, proprietors of an organization turn the assets over to trustees. The trustees issue to these proprietors transferable shares in the trust. Management is vested in the trustees, and they declare dividends to the shareholders from the profits earned.

This form of organization is used in Massachusetts, because the statutes contain restrictions upon the real-estate holdings of corporations. To avoid these restrictions, the trust form is used. This is likewise true of certain organizations in Chicago. In Massachusetts, according to Mr. Wrightington, this type of organization is now used for holding companies and, in some cases, for manufacturing enterprises.

There are some points about the trust which have not been clearly decided by law. In fact, a twilight zone exists between the trust and the partnership, the exact limitations of which are hardly discernible in the present state of the decisions. Nevertheless, Mr. Wrightington believes that the trust form may be successfully used, if competent counsel is employed to draft the papers. Of course, the great disadvantage is that the proprietors must give up direct control. However, this is only minor, and a control may be maintained for all practical purposes by having the trustees representative of the proprietors.

ONE recent change in the New York statute relating to corporate names is that a change of the name of a corporation must be authorized by the vote of the holders of at least two-thirds of the entire capital stock, irrespective of class or classes of stock. Under the statute as it existed previously, the directors could take the initiative without the ratification of their action by the stockholders.

Corporate
Names

The following are the steps to be pursued in changing the name of a corporation:

1. Introduction of a resolution in a meeting of the board of directors.

2. Securing of a certificate from the Secretary of State that the proposed name is not already in use, or does not resemble a name in use, and that it may be used.

3. Since the statute requires the publication of notice of stockholders' meetings once a week for two successive weeks in a newspaper published and circulated in the county where the principal office is located, the next step is the preparation of such a notice.

4. On or before publication of the notice a copy thereof must be forwarded, to be filed in the office of the Secretary of State.

5. A copy of the notice, on or before the first day of publication, must be served personally on each stockholder or mailed to his last-known post-office address.

6. The next step is the publication itself in the newspaper.

7. At the meeting of stockholders the resolution is introduced for the change of name, in connection with which the certificate received from the Secretary of State is read.

8. Assuming the resolution passed, a certificate of its adoption is filed in the office of the Secretary of State and in the office of the county clerk. This certificate must be signed, verified, and acknowledged by the president and the secretary, or by the vice-president and the secretary, of the corporation. The certificate must contain a copy of the resolution, the time of adoption, the time of filing, the certificate of incorporation, the law under which the corporation was organized,

the original name, the subsequent changes in the original name, and the proposed name. It must be accompanied by an affidavit of service and of the publication of the notice of meeting, and by the certificate of the Secretary of State which was read at the stockholders' meeting.

9. Lastly, a copy of the resolution must be published once a week for two consecutive weeks in the newspaper in which the notice of meeting was published.

From the date of the receipt of the notice of the publication of the stockholders' meeting, the Secretary of State reserves the proposed name of the corporation for a period of forty days, within which time the certificate concerning the meeting adopting the name should be filed.

"Satisfactory"

ONE of the most frequently disputed words in contracts is "satisfactory." Sometimes the word used is "satisfaction." Usually, courts rule that where a promise is made to perform "satisfactorily," or to the "satisfaction" of the other party, the standard shall be that which a reasonable man may reasonably expect.

Contracts of services may be divided into those in which the employer is concerned with the manner as well as with the results of service, and those in which he is concerned with the results only. Generally speaking, courts are more prone to consider the employer the arbiter as to what is satisfactory, if the engagement is such that he is concerned with the manner of performance as well as with the results. If the results are the sole criterion, then the entire matter is usually left to the jury to determine as to whether the results achieved would satisfy a reasonable person.

Accountants and other professional men are usually employed to secure results. The word "satisfactory" in any contracts that they may make would be construed from the standpoint of reasonableness, and not from the standpoint of the client as the sole arbiter. A recent Colorado case on this point concerned a detective engaged to find the person who stole a diamond. The person engaging the detective said that he had not performed the contract, in that his findings were not "satisfactory" to that person. But the court found that the services were performed in such a manner as logically to satisfy a reasonable man, and that the client was liable for the fee.

In cases where there is an element of strictly personal satisfaction to be given, as in the case of making a suit of clothes, painting a picture, and work of like character, the courts are inclined to have the person who engages the services the arbiter of the results. However, these

seem to be the only cases which vary from the general rule herein stated.

Despite these rulings, it might be suggested that the word "satisfactory" and the word "satisfaction" are somewhat ambiguous terms. Use of more specific words in contracts, whenever practicable, will tend to minimize disputes and litigations.

A SLIGHT change has been made in the New York statute concerning the organization tax of corporations. The rate of tax remains the same—that is, one-twentieth of one per cent. The minimum, however, is changed. Under the old law, if the one-twentieth of one per cent. did not amount to five dollars, the organization tax was five dollars. Under the amended act, the minimum tax is ten dollars, so that if the one-twentieth of one per cent. does not equal ten dollars, that amount must be paid.

Organization Tax

CIVIL SERVICE examinations for accountants are being held for two departments of the Government service. One is the Ordnance Bureau of the War Department, and the other is the Economic Department of the Federal Trade Commission. In the former there are two grades, grade one and grade two. The grade one positions pay from twelve hundred dollars to seventeen hundred dollars a year, and the grade two from eighteen hundred dollars to twenty-seven hundred dollars. In the Federal Trade Commission the salaries in grade one range from twenty-five hundred dollars to thirty-six hundred dollars, and in grade two from eighteen hundred dollars to twenty-five hundred dollars a year.

Examinations for Accountants

Government positions, as a rule, do not pay very liberal salaries to technical or scientific men. Considering the rates of pay that are paid other men of scientific training, those specified for the accountants rank high. This is an indication of the utility of the work of accountants to the Government.

SAMUEL B. REIMAN writes a very complimentary letter on the booklet "Your Market Value," by Horatio N. Drury. Mr. Reiman states: "The reading of this booklet has cleared up a question that has been on my mind for the last five years."

Your Market Value

Those of our readers who have not read "Your Market Value" may secure the publication by addressing Pace & Pace, 30 Church Street, New York City.

The fall examinations of the American Institute of Accountants will be held on November 15 and 16.

ON page 134 of the July issue of The Pace Student, in the Journal entry headed "MacFarland Manufacturing Company," the last two lines of the entry read, "of which 400 shares is 7 per cent. cumulative preferred stock and 600 shares is common stock." In the two instances where the words "shares is" are used, is the grammar correct?

- A. The use of a singular verb with a plural subject is permissible and often desirable when the subject, even though plural in form, may properly be regarded as singular in meaning. On this basis, "shares is" may be both logically and grammatically justified. In other words, the 1,000 shares may be thought of as a single block of shares with the emphasis upon the singular nature of the concept. The principle of grammar involved is precisely the same as that which obtains when we say correctly, "ten minutes is too long a time to wait," or, "seventy miles was the distance covered." Of course, it is also permissible to use the plural verb and say "shares are," in this case, the shares being thought of as separate shares rather than as constituting a single block of shares.

- Q. Will you kindly answer the following question respecting the New York state income tax? A New York corporation, with its principal place of business in New York state, sells from its stores or stocks in New Jersey to another corporation in New York state. From my examination of the report of the state Tax Department, it would seem that the income flowing from this transaction is not taxable. Am I correct?

- A. This question was submitted to the Tax Department of the state of New York, and their answer is as follows:

"In answer to paragraph B, you are advised that bills and accounts receivable of the New York corporation representing goods sold from stores or stocks in New Jersey are not bills and accounts receivable in this state within the purview of this statute, and such bills and accounts receivable would appear under total segregation of assets." From this answer, it would appear that this income is not taxable.

- Q. A corporation has on its Ledger an account against an individual. The debtor dies and the business is continued without any interruption, first by the manager, who was previously in active charge, and later by him under the direction of the executor. The corporation has charges, including rent, against the new parties in interest.

Under what name should the new account be opened on the books of the corporation?

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The conduct of the business by the estate after the death of the debtor is on a trust basis. By this I mean that the executor is acting in a representative capacity. There are two possible conditions, the first of which would be that the estate was not closed, and pending the sale of the business, the executor conducts it. The second would be where the business forms a part of a testamentary trust, in which case the executor or some other person becomes the trustee, conducting the business on behalf of beneficiaries.

In either event, the words, "Estate of John Smith," would be a suitable caption for the account. If, however, the business has been sold, then, of course, all the indebtedness contracted by new parties would be carried under the name of such parties.

- Q. Under the Federal Income Tax Law, is it permissible to deduct from gross income a payment to an officer of a percentage of net earnings?

A. Payments to officers or employees of percentages of earnings as a part of their compensation, are deductible from income tax, provided that the payment is made in pursuance of a contract expressed or implied. Payments not made in pursuance of such a contract are not deductible. Furthermore, the percentage paid to an officer of a corporation and the salary he receives must not exceed a reasonable compensation for the duties that he performs. Gifts to employees, such as a Christmas offering, are not deductible.

- Q. Under the new Federal statute concerning excess profits, may partners' salaries be deducted in ascertaining the amount which is to be taxed?

A. According to the law on Partnership, salary paid a partner is a distribution of profit. A partner is presumed to work for nothing, except his share of the earnings. Nevertheless, this would operate an injustice in certain cases under the excess profits tax, for the reason that a corporation is permitted to deduct the salaries of its officers, or, more ordinarily, stockholders, before ascertaining the amount to be taxed. There have been rulings by the Treasury Department to the effect that a partner's salary, if the result of a specific agreement as between the partners, and if reasonable in amount considering the service he renders, may be deducted.

SO that copies of The Pace Student may be forwarded to them, it is desired that the names and addresses of all Pace students, in Military or Naval Service, be forwarded to Pace & Pace, 30 Church Street, New York.

Arnold C.
Hansen,
Esq.

(Continued)

these facilities or plants is also gone into in a very thorough manner; so that from this brief description given it will be seen that the work that I have been engaged upon has not been confined solely to the transportation business, but has included branches of the transportation business which, if operated independently and not in connection with the railroad company, could properly be considered as commercial business; and, therefore, as previously stated, my experience has not been confined entirely along the lines of railroad accounting."

In April, 1911, Mr. Hansen passed the written examination for the C.P.A. degree in the state of New Jersey.

Mr. Hansen, in November, 1915, resigned his position with the Interstate Commerce Commission to assume the duties of Controller with the New York Dock Company and the New York Dock Railway. It is easy to understand the responsibilities of so important a position from the following: "The New York Dock Company owns and operates the largest bonded and free warehouse system in the Western Hemisphere, as well as the largest pier system in the United States. The entire area occupied is 185.2 acres. Steamships of more than twenty lines berth at the company's piers.

"The New York Dock Railway operates three freight terminals in Brooklyn. Here there are connections to or from all rail lines entering New York with piers, bonded and free warehouses, terminals, manufacturing buildings, a grain elevator, a cold-storage plant, as well as all the steamships docking at the piers of the New York Dock Company."

Among the many matters in which Mr. Hansen takes an unflagging interest is education—especially the education of men and women in business. He recently remarked, "The New York Dock Company—any organization, in fact—is simply a school which is of educational value to the individual and hence to society. In our organization, a conference of the heads and assistant heads of departments is held at luncheon on every second Friday. At this time a previously assigned topic is lectured upon by a member of the organization. This is followed by a general discussion and suggestions for improvement. In order to educate the employee in the work of the entire organization, the heads of the various departments—the operating, engineering, accounting, and the like—give short talks

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to small groups of the company. The best employee is the one who is best informed, not only in his own field, but in the general scope of the activities of the firm."

With the military atmosphere so prevalent at present, it is interesting to note that the employees of the New York Dock Company, under Mr. Hansen's management, are divided into groups, each in charge of a captain. The captains are responsible to the department heads, they to the auditor, and so on up the line, to the chief executive.

"What caused you to organize your office force in this way?" I asked.

The answer was characteristic of Mr. Hansen. "The best results are obtained if the man under you works with you, and if he knows that you are working with him. There must be a cordial and intensive coöperation between the executives and the rest of an organization. I insist upon knowing something of the personal conditions of my employees. I am interested in them as individuals."

"What is your opinion of Accountancy and Business Administration as a field with opportunities for young men?" I next asked Mr. Hansen. "An Accountancy training fits for an interpretation of any business, for the balance sheet tells the story of the business," answered Mr. Hansen. "There are more big positions than there are men to fill them, and a good deal of the training necessary to fill these positions is provided by the study of Accountancy and Business Administration."

Mr. Hansen's daily text, mentioned in the opening paragraph, is a worth-while one, as proved by his business success. Mr. Hansen has always been a student—gathering knowledge and then applying it. He began at the bottom, but in each position he has ever had he has made it his business to absorb information and transmute it into usable knowledge, and in this way become worthy of promotion. Though Controller of a large organization, he is still a student of Business in its broadest sense, and especially of the manifold problems that confront his firm. It is this student attitude of mind that has enabled Mr. Hansen to discern opportunity and turn it to practical account—a fact that preaches a lesson to young men of ambition whatever their present duties may be.

FROM time to time interesting pamphlets are issued by the Bureau of Business Research, of Harvard University. Most of these pamphlets center around systems of accounting for specified kinds of mercantile or manufacturing establishments.

Set systems for specified enterprises are always subject to the criticism that ready-made systems of account do not always fit. One proprietor or management may desire a more extensive classification than another. Furthermore, establishments located in the same place, and doing business with about the same class of customers, will have vastly different systems of accounts as to details. For these reasons, the several systems set forth in the pamphlets are purely suggestive.

There are mooted points in the treatment of certain items. For instance, in the system for retail grocers, "Interest on Capital Owned," which is stated to be the interest on the net investment exclusive of real estate, is deducted before the net profit is ascertained. Likewise, if the establishment owns the store which it uses, a charge is made against gross profit for rent. There are some accountants who favor this treatment, while others are opposed to it. Our own point of view is that neither should be included as part of the cost of conducting the business.

This is a subject which was discussed by The Pace Student in the Question and Answer Department, June, 1917, page 110, in connection with manufacturing establishments, and the reason therein given for non-inclusion of interest on capital applies with equal force to mercantile establishments.

Other criticisms of the bulletins might be offered. Nevertheless, they present a fairly complete presentation of the classifications used in the various lines, and for this reason have a value to the accountant. The price of the bulletins is 50 cents each, and those which are now available are listed below:

No. 2. Harvard System of Accounts for Shoe Retailers.

No. 3. Harvard System of Accounts for Retail Grocers.

No. 4. Depreciation in the Retail Shoe Business.

No. 5. Expenses in Operating Retail Stores. No charge.

No. 6. Harvard system of Accounts for Shoe Wholesalers.

No. 7. Harvard System of Stock-keeping for Shoe Retailers.

No. 8. System of Operating Accounts for Wholesale Grocers.

Har-
vard
Pam-
phlets



HE organization view-point—what is it? It is the view-point of the treasurer, the secretary, the president of your company. It is a composite view-point. It is made up of many minor view-points connected with your business—for example, the accounting view-point, the sales view-point, the factory view-point, the credit view-point. But bear in mind this—that it is no one of these view-points taken without reference to the others. And so, Mr. Salesman, if you aspire to a high seat in the directive counsels of your company, take into account the view-points of the other departments; and the same advice is given you, Mr. Factory Manager, Mr. Credit Man, and Mr. Accountant. Stand up for the needs of your department, of course, but don't forget that from the organization view-point your department is but one spoke in the business wheel.

Organization View-point

Asking Questions

THIS morning I found a trim, keen-eyed young man waiting for me in the caller's room. He had called to have a friendly little chat. Though I had not seen him for eleven years, I recognized him at once as George White, a former pupil. I recalled that he had always had an insatiable curiosity about everything that he saw or read or was required to do. He was always asking questions—some of them embarrassing, because I did not find it easy to answer them.

We talked about many things—chiefly about the organization I am connected with, because White had heard of our work and wanted to learn all about it. As usual, he asked questions, one after another. When we got through chatting, I felt that he knew almost as much about our organization—its achievements, its methods, its ideals—as I do.

To-day, at twenty-six years of age, White is assistant credit manager of a large manufacturing firm. The signs indicate that he will become credit manager and possibly go higher by the time he is thirty. He has compelled business success, largely because of his curiosity about things he did not understand.

The moral is plain. Knowledge of the principles

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and of the many angles and ramifications of Business is at an advancing premium. One of the best ways of getting knowledge is by asking intelligent questions and reflecting upon the answers received. Curiosity prompts men to inquire about the unknown and to assimilate it with the known in order that they may set and reach high goals of attainment.

ONE evening, recently, I approached a ticket office in an elevated railroad station when the ticket seller was not busy and greeted him with a hearty "Good Evening!" Those who live in New York will recognize this as more or less of an experiment. The man was surprised—very pleasantly surprised. All day long people had purchased tickets at this window from this man as though he were a machine. Here was at least one person who remembered that he was a human being. Somehow I felt that I had helped him to feel more cheerful about his duties that evening.

Affability

Men who are treated like machines, behave like machines. You can not expect to see evidences of mental growth and development in the way they do their work. Perhaps there are instances, such as that of the ticket seller, in which some people would not think it worth while, but it can not be questioned that human initiative and human judgment

will follow the treating of subordinates more like human beings and less like machines.

Executives are not always to be blamed for a tendency to forget the human qualities in their subordinates. These executives have days filled with trying moments—days in which the predominating motive must be to get things done; but a little time now and then invested in the human greeting or the human inquiry will produce a big return in effectiveness.

LET'S quit it right now, fellow-workers, fellow-executives, all of us who are in Business—quit being irritable and irascible, and going off on a nervous tangent when things go wrong. These outbursts of temper harm none but ourselves. They use up our vitality, impair our digestion, and give us a jaundiced view of life. Indulged in, they increase in number and in-

Being Irritable

THE PACE STUDENT

*A Magazine of Service
Interpreting
the Purpose, Spirit, and Needs
of Modern Business*

Published Monthly

*Subscription Price \$1.00
a Year, Payable in Advance*

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New York*

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tensity as we grow older, and thus steadily weaken our hold upon ourselves and others. The pity is that it is the little things that usually put the flush in our cheeks and the snarl in our voices. Let's learn to be patient and tolerant and good-natured, no matter what the provocation to let ourselves go. In this recipe lies the basis of efficiency and happiness.

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value success, make sure that every screw that helps to hold together the fabric and the parts of your structure is squarely set and fully tightened.

Otherwise, you are courting disaster.

Obedience

W. W. ATTERBURY, of the Pennsylvania Railroad Company, is now in charge of the railroads behind the lines in France. Mr. Atterbury believes that no man can become a leader who is not amenable to discipline.

How often we shy away from that word "discipline" and the word "obedience," which the word discipline connotes. Yet, discipline and obedience are not meant to restrict, but to give greater freedom. If the activities of some were not limited, the freedom of all would be endangered. It is the person that takes advantage of privileges who is responsible for the necessary curtailment of those privileges.

Obedience is the first duty which the law exacts from an agent toward his principal. Obedience is the first duty of the soldier. Obedience is the first requirement for each step upward in the modern business organization. Discipline is beneficent—obedience is its necessary accompaniment.

Turning in the Screws

A LARGE hook on a coat-tree in my office has just fallen off. My recently purchased derby hat is damaged beyond repair. It is my fault. I have known for a long time that the screw fastening the hook to the tree was loose—in fact, that it had never been turned in up to its head. I will now look about for a screw-driver, and later I will go out and buy a new hat.

This trivial happening has an organization bearing. It is one thing to start the screws of organization turning and stop there, but it is quite another thing to turn them in up to their heads so that they will hold. Right here is where many organizers with broad vision fail. They start things, but they don't finish them or supervise them properly. A little waste here, a bit of managerial inefficiency there, a bookkeeping error or two now and then, a little too much overselling, some mistakes in cost calculation, etc.—these are a few of the organization screws that may not have been turned in up to their heads. Then, if they continue to be forgotten, something is likely to happen—usually it is worse than the ruin of a derby hat. For examples, consult the bankruptcy courts.

Therefore, you who build organizations, as you

THE time-budget plan of work has advantages, especially for those of us inclined to be unmethodical and haphazard in our way of going about our work. Do we plan to-day what we are going to do to-morrow, the day after to-morrow, and next week? Do we divide our day into so much time for this work, so much time for that work, etc.? Do we lay out a daily stint of certain duties which we will perform, come what may? Or do we take things as they come, regardless of their relative importance or their bearing upon one another? Of course, the time-budget plan will have to be somewhat flexible, but even then it is workable and justifies itself in time saved and results achieved. Have you ever tried it?

Time-Budget Plan

ONE of the ablest executives in the financial world is noted for his ability to pick men—not simply seasoned men for high positions, but undeveloped youths with latent capacity. When asked how he arrived at his conclusions, he replied, "Chiefly by watching a man work. If he is fussy, dawdling, noisy, unsystematic, or tactless in dealing with others, I don't bother with him. If, on the other hand, he apparently knows what he is about and how to do his work with speed and certainty, I can't help noting these things, and I place him under systematic observation. Later, he is likely to get his chance." Of course, this is not the whole story, but there is a point to it. How do you do your work, by the way? Somebody may be watching you.

Watching a Man Work

THERE are many concrete evidences of increasing amity in the relations between employer and employee, especially in progressive organizations that realize the importance of the fullest possible coöperative effort from president to office boy. One reason for the phenomenal growth of the National City Bank of New York—to cite a typical instance—is the fact that President Vanderlip misses no opportunity to come into personal relation with the 1,500 employees of the bank just as often as possible. One of the things which Mr. Vanderlip does is to entertain and address the employees at his home at Scarborough once or twice every year. Judging by the spirit of loyalty and enthusiasm which prevails at the National City Bank, Mr. Vanderlip's policy might well be emulated by the heads of other large organizations.

Coöperation

**Lillian F.
Anstie,
C.P.A.,
and
C. Milton
Clark**



UBSCRIPTIONS to the Liberty-Bond issue are being obtained by many organizations among their employees. These organizations secure the subscriptions on a cash or instalment basis. If on an instalment basis, the instalments are collected from the employees by the organization. In turn, the organization subscribes through a bank or broker.

A proposition involving the book entries and Ledger accounts necessary to record the transactions flowing out of this patriotic service was given in the June, 1917, final examinations, Pace Standardized Courses. The principles covered will apply to any of the bond issues. The proposition follows:

"The Patriotic Emblem Company, wishing to contribute to the success of the Liberty Loan, agrees to accept subscriptions for the bonds from its employees, and arranges that payments may be made either in cash on July 2nd or in twelve monthly instalments beginning that day.

"On June 1st, cash subscriptions for one hundred \$100 registered bonds and two hundred \$50 bearer bonds were received; also subscriptions for 480 \$50 bearer bonds payable on the instalment plan. A remittance for two per cent. of the total subscriptions was sent immediately to Safe & Trust, Bankers, through whom the Patriotic Emblem Company applied for the bonds. Payments to the bankers for the balance are to be made as follows: June 28th, eighteen per cent. on instalment subscriptions; July 2nd, balance of cash subscriptions; July 30th, twenty per cent. on instalment subscriptions; August 15th, thirty per cent., and August 30th, thirty per cent. on instalment subscriptions. The bonds are dated June 15, 1917, and bear interest at three and one-half per cent. per annum from that date, payable semi-annually, on December 15th and June 15th. Interest at the same rate is to be calculated on unpaid instalments from June 15, 1917, both on the accounts with the bankers and with the subscribers.

"It is assumed that the bonds are delivered on September 15, 1917, to the Patriotic Emblem Company, who holds the ones subscribed for on the instalment plan, pending completion of payments. In October, 1917, certain employees find it impossible to continue their payments, and the Patriotic Emblem Company agrees to take over their subscriptions. On October 31st the company refunds to these subscribers all payments made by them, plus interest to date. The par value of the canceled subscriptions is \$1,200.

"Show Ledger accounts necessary to record the

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foregoing transactions on the general books of the Patriotic Emblem Company, and make all entries, including interest. The Cash Account may be omitted. Describe method of handling accounts with individual subscribers."

According to the proposition, the Cash Account may be omitted. Ledger accounts only are required, but it is advisable in this solution to include the Journal entries, except those pertaining to cash transactions.

The account, "Sundry Subscribers," raised in the first entry is a controlling account. The account credited in this entry, "Subscriptions to Liberty Bonds," records the liability of the organization on account of its subscriptions on behalf of its employees.

The firm is obligated to take over the bonds August 30th. On the other hand, the subscribers do not complete their payments until June 2, 1918. A card Ledger may be used to record the individual subscriptions, payments, interest items, etc. The balance of the controlling account in the General Ledger should agree with the sum of the individual balances. The entry on July 2nd charges the Sundry Subscribers for the accrued interest on cash subscriptions from June 15th to that date. Adjustments for fractions of a cent in individual subscribers' accounts might change the aggregate amount in entries charging interest to "Sundry Subscribers." The entry on August 30, 1917, covers the accrued interest on the several instalments chargeable to the firm by the bankers. In practice this might have been charged on a monthly basis by the bankers, in which event a similar entry to that recorded would have been made each month.

Each payment of the bonds to Safe & Trust was recorded in the books with a charge to "Safe & Trust" and a credit to "Cash." Accordingly, when the bonds are delivered by Safe & Trust, "Subscriptions to Liberty Bonds" is debited, closing out the account, and the account, "Safe & Trust," is credited. This is shown in the entry of September 15, 1917.

The canceled subscriptions by certain employees are treated in the entry of October 31, 1917. "Accrued Interest" to October 31st is debited, the account, "Liberty Bonds," debited, and the controlling account, "Sundry Subscribers," credited.

The various payments by the subscribers are shown in the Ledger Account "Sundry Subscribers." The entries of December 15, 1917, and June 2, 1918, cover the liability of the instalment subscribers for accrued interest to that date on the unpaid balances of their accounts as between the several instalment dates.*

* Interest has been figured throughout on the status of the Liberty Loan last June, namely, at the rate of $3\frac{1}{2}$ per cent.

JOURNAL ENTRIES

Liberty
Bond
Propo-
sition

Solution

June 1, 1917

SUNDRY SUBSCRIBERS	\$44,000.00	
To SUBSCRIPTIONS TO LIBERTY BONDS		\$44,000.00

July 2, 1917

(Continued)

SUNDRY SUBSCRIBERS	33.06	
To ACCRUED INTEREST		33.06
Interest on \$20,000 cash subscriptions, June 15 to July 2, 17 days at three and one-half per cent.		

August 30, 1917

ACCRUED INTEREST	154.75	
To SAFE & TRUST		154.75
Int. on \$43,120, 6/15 to 6/28—13 days		
“ “ 38,800, 6/28 “ 7/2 — 4 “	} at three and one-half per cent.	
“ “ 19,200, 7/2 “ 7/30—28 “		
“ “ 14,400, 7/30 “ 8/15—16 “		
“ “ 7,200, 8/15 “ 8/30—15 “		

September 15, 1917

SUBSCRIPTIONS TO LIBERTY BONDS	44,000.00	
To SAFE & TRUST		44,000.00
For bonds delivered.		

October 31, 1917

SUNDRIES To SUNDRY SUBSCRIBERS		1,202.90
For canceled subscriptions and interest to date:		
LIBERTY BONDS	1,200.00	
ACCRUED INTEREST	2.90	
Int. on \$100, 7/2 to 8/2 —31 days		
“ “ 200, 8/2 “ 9/2 —31 “	} at three and one-half per cent.	
“ “ 300, 9/2 “ 10/2 —31 “		
“ “ 400, 10/2 “ 10/31—29 “		

December 15, 1917

SUNDRY SUBSCRIBERS	306.82	
To ACCRUED INTEREST		121.69
“ INTEREST		185.13
For interest on advances, partly offset by interest paid Safe & Trust.		
\$22,800, June 15 to July 2.....17 days		
20,900, July 2 to August 2.....31 “		
19,000, August 2 to September 2.....31 “		
17,100, September 2 to October 2.....30 “		
15,200, October 2 to November 2.....31 “		
13,300, November 2 to December 2.....30 “		
11,400, December 2 to December 15.....13 “		

June 2, 1918

SUNDRY SUBSCRIBERS	103.26	
To INTEREST		103.26
For interest on advances at three and one-half per cent.		
\$11,400, December 15 to January 2.....18 days		
9,500, January 2 to February 2.....31 “		
7,600, February 2 to March 2.....28 “		
5,700, March 2 to April 2.....31 “		
3,800, April 2 to May 2.....30 “		
1,900, May 2 to June 2.....31 “		

SUBSCRIPTIONS TO LIBERTY BONDS

Liberty
Bond
Propo-
sition

Solution

1917	1917
Sept. 15	June 1..By Sundry Subscribers...
\$44,000.00	\$44,000.00

SUNDRY SUBSCRIBERS, LIBERTY BONDS

(Continued)

1917	1917
June 1 To Subscriptions	July 2 By Cash
\$44,000.00	\$20,033.06
July 2 " Accrued Interest	" 2 " "
33.06	2,000.00
Oct. 31 " Cash (Refund)	Aug. 2 " "
402.90	2,000.00
Dec. 15 " Accrued Interest and	Sept. 2 " "
Interest	2,000.00
306.82	Oct. 2 " "
" 15 " Cash (Interest)	2,000.00
92.18	" 31 " Liberty Bonds
1918	" 31 " Accrued Interest
June 2 " Interest	2.90
103.26	Nov. 2 " Cash
	1,900.00
	Dec. 2 " "
	1,900.00
	" 15 " " (Int. coupons) .
	399.00
	1918
	Jan. 2 " "
	1,900.00
	Feb. 2 " "
	1,900.00
	Mar. 2 " "
	1,900.00
	Apr. 2 " "
	1,900.00
	May 2 " "
	1,900.00
	June 2 " "
	2,003.26
\$44,938.22	\$44,938.22

SAFE & TRUST

1917	1917
June 1 To Cash	Aug. 30 By Interest
\$ 880.00	\$ 154.75
" 28 " "	Sept. 15 " Bonds
4,320.00	44,000.00
July 2 " "	
19,600.00	
" 30 " "	
4,800.00	
Aug. 15 " "	
7,200.00	
" 30 " "	
7,354.75	
\$44,154.75	\$44,154.75

LIBERTY BONDS

1917	
Oct. 31 To Sundry Subscribers..	\$ 1,200.00

ACCRUED INTEREST ON LIBERTY BONDS

1917	1917
Aug. 30 To Safe & Trust	July 2 By Sundry Subscribers... \$
\$ 154.75	33.06
Oct. 31 " Sundry Subscribers..	Dec. 15 " Cash
2.90	2.90
	Dec. 15 " Sundry Subscribers...
	121.69
\$ 157.65	\$ 157.65

INTEREST

1917	1917
Dec. 15 By Sundry Subscribers...	\$ 185.13
" 15 " Cash (Coupons) ..	18.10
1918	
June 2 " Sundry Subscribers...	103.26

EFFECTIVE advertising is a subject that is receiving steady attention in the business world. An interesting book designed to increase this effectiveness is "The Typography of Advertisements that Pay," by Gilbert P. Farrar (The Appleton Company, \$2.25).

Eight main divisions of type-style in advertisements are made by the writer, which are forceful educational, passive educational, hand-lettered, posters, character and comic, small space, mail-order, and department store. There is a clean-cut distinction between these several kinds, and helpful comment as to when they may be best used. Advertisements in actual use are among the numerous illustrations throughout the book. These are criticized, compared, and their qualities analyzed. Very helpful suggestions are given to the advertiser who can not afford to use large space advertisements.

A few of the more modern type-styles are omitted, and the work might have been improved in this respect. In fact, the book reminds one of the story of the lawyer who spent his life in writing unbreakable wills for other people, and had his own will broken. In this book, the press work is hardly up to the standard necessary to show the niceties of the samples given. Furthermore, the proof-reading is below standard. However, this does not detract from the usefulness of the volume, and it is a worthy addition to the library of anyone who has an interest in the subject of advertising.

SOME of the largest corporations in America have introduced tests as means of selecting employees. A collection of these tests is found in the new book, "Choosing Employees," by William Fretz Kemble (Engineering Magazine Company, New York, \$3).

This work divides into three parts, entitled "The Field and Labor Standardization," "Mental and Physical Capacity," and "Driving Power and Mental Qualities." In the first part, the practical possibilities of the proposed selective method of hiring employees are set forth, together with methods of examination for dexterity, ambidexterity, eye and hand coordination, etc. In the remaining two sections of the book, numerous tests are given, the purpose of which is to ascertain vocational qualifications of prospective employees.

Absolute reliance on some of the tests given would ignore potential

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possibilities of applicants. By reason of having done analogous things, some applicants would do much better than others; yet the latter might, within a short period, prove the more capable. This minor objection is mitigated in the variety of tests which enable approximations of natural ability.

One feature of the work is the absence of unusual technical words. Things to be done in each test are clearly given, the simple language being supplemented by numerous illustrations. Human averages are stated for comparative purposes, and no difficulty need be experienced by the reader in applying the principles presented.

No little difference of opinion exists as to the feasibility of vocational tests of this nature. Nevertheless, the tests are so presented that employers can quickly judge, after a short trial, the advisability of adopting them.

NOTWITHSTANDING the weariness of the average citizen in respect to the word "efficiency," the business man will profit by a perusal of a small book, by C. E. Knoeppel, entitled "Industrial Preparedness," recently published by The Engineering Magazine Company.

Mr. Knoeppel has used a novel method of interesting the reader in his subject: the text is frequently interspersed with statements bearing on efficiency made by the foremost authorities, not only of this country, but also of England, France, and Germany. One chapter, devoted to "German Industrial Principles," furnishes reading that is not only surprising, but absolutely startling, when a comparison is made between the methods formulated by the Germans and the conditions now existing in this country. Mr. Knoeppel well states: "National efficiency depends upon industrial efficiency, and industrial efficiency depends upon the efficiency and the coöperation of the individual."

"If it is a good thing," says Mr. Knoeppel, "to have an Interstate Commerce Commission, a Federal Trade Commission, or a Federal Industrial Commission, why not go further with it? And in the formation of such a commission, the basic considerations should be:

1. That men of experience and ability should be secured at suffi-

cient salary to warrant their continued service.

2. That the commission should be permanent.

3. That politics and red tape be eliminated.

4. That there be speed in getting things done."

In his last chapter, Mr. Knoeppel states: "This country is at the parting of the ways. Will we go on wasting, ignoring the lessons the past can teach us, forgetting there is a saying, 'Live and let live,' refusing to coöperate; or will we organize and control, basing what we do on right analysis and investigation, with humanitarian ideals as our guide?"

The concluding remark in the book is one well worth thinking over: "Roosevelt's 'Fear God and take your own part' can well be changed to 'God help the man who fails to do his part.'"

ALFRED HARTILL, Accountancy Institute of Brooklyn, has joined the Naval Militia as yeoman.

JOHN EMISON, Pace Institute, has recently accepted a position as accountant for the Federal Reserve Bank. Mr. Emison was formerly employed by the H. B. Claflin Corporation.

JAMES PLENDERLEITH, Detroit Technical Institute, has taken up his residence in New York City and has entered the practice of public accounting on the staff of Ward & Dougherty.

NATHAN WACHTEL, Pace Institute, has severed his connection with Herman Cohen to accept a position in the bookkeeping department of the Eastern Shoe Machinery Company.

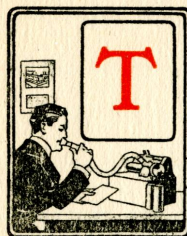
W. E. HOPKINS, Pace Institute, for four years head of the commercial department of Seamen's Church Institute, of New York, has just received his commission as first lieutenant in the cavalry.

FREDERICK L. DEVEREUX, auditor of long distance lines, American Telephone & Telegraph Company, has received the degree of Doctor of Philosophy from his alma mater, Georgetown University.

PHILIP N. MILLER, C.P.A., New York Institute of Accountancy, has sailed for France to assume charge of the Paris office of the American Red Cross. Fifty assistants will aid Mr. Miller in this work.

Horatio
N. Drury,
A.B.

Sentence
Unity



THE first principle of sentence structure is unity—especially unity of thought. Unity as applied to a sentence means that it shall be a logical and consistent whole—that its

sub-thoughts, if there be any, shall have a basic relation to one another. Unity in a sentence does not necessarily depend upon its length, for relatively short sentences may be clearly lacking in unity. Unity means one, and only one, fundamental thought.

If we say, for example, "The business men of America, who in time of peace are rightly concerned with making personal profits, have proved their patriotism by coöperating with the Federal Government, often to the neglect of their own interests," the sentence is unified; for there is the relation of contrast between what the business men do during the time of peace and during the time of war.

If, however, we say, "The business men of America, many of whom are interested in welfare work for their employees, have proved their patriotism by coöperating with the Federal Government, often to the neglect of their own interests," the sentence lacks unity, for there is clearly no immediate relation between interest in welfare work and an expression of patriotism.

The following sentences clearly illustrate violations of unity, because of the lack of logical relation between two or more of their parts:

This building, which is the largest office-building in the world, houses the Erie Railroad, along the lines of which live many commuters who prefer living in the country to living in the city.

The office manager occupies the central office to your right, and all the offices are well fitted up with desks, telephones, rugs, and pictures.

Thank you for having paid your account at our store, and you will find that our goods are cheaper than elsewhere, though we would have been glad to extend your credit.

Advertising is said to be the greatest boon of the century for all kinds of business, but we cannot increase our budget for it this year.

Accountants have the reputation of being extremely analytical and able to systematize business methods, and the profession of Account-

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ancy offers many opportunities for advancement.

Education is the way to success in Business, though there are many definitions of success, some thinking that it means making money, and others that it consists in finding happiness, which we all seek.

If there is plainly no relation, or only a far-fetched relation, between the parts of a sentence, the only thing to do is to divide the original sentence into two or more sentences. Note how the foregoing illustrative sentences may be made shorter and thus unified:

This building, which is the largest office-building in the world, houses the Erie Railroad. Along the lines of this railroad live many commuters who prefer living in the country to living in the city.

The office manager occupies the central office to your right. All the offices are well fitted up with desks, telephones, rugs, and pictures.

Thank you for having paid your account at our store, though we would have been glad to extend your credit. You will find that our goods are cheaper than elsewhere.

Advertising is said to be the greatest boon of the century for all kinds of business. Still, we cannot increase our budget for it this year.

Accountants have the reputation of being extremely analytical and able to systematize business methods. The profession of Accountancy offers many opportunities for advancement.

Education is the way to success in Business. There are many definitions of success. Some think that it means making money; others, that it consists in finding happiness. Happiness we all seek.

Each sentence in each of the foregoing groups now becomes unified, though in several instances there is little or no relation between the sentences as they consecutively run on.

While it is generally easier to write short sentences than long sentences that are unified, still long sentences may be written in a unified manner, as follows:

There is an urgent need of men who can promote, finance, manage, suggest, and originate; men who can increase sales, reduce expenses, devise productive policies, detect errors

and rectify them, analyze past records and forecast future development, swell profits expected and create profits unexpected; men who can collect facts, and observe facts, and figure out facts, and base sound conclusions upon such facts; men who can and do think and reason.

Economic conditions, age, family obligations, geographic location, academic training, and many other factors, must be given due weight by the vocational counselor in arriving at a selection of the occupation which, in view of all of the circumstances, promises best for the individual.

The principle of unity in the construction of sentences is exceedingly important, both from the reader's point of view and from the writer's point of view, as Henry G. Pearson in his excellent little book, "The Principles of Composition" (D. C. Heath & Co.), has well brought out:

"From the reader's point of view," he says, "the principle that every sentence should be a unit is one of the greatest importance. For him, generally speaking, the length of one sentence measures the amount that he comprehends at one time. He takes in a sentence at a glance, and takes it in as a whole. If, now, what it brings to him is not a whole, if it forms an incomplete statement, or two statements crowded together, the reader does not get from the unit of expression a unit of thought. In order that there may be no confusion of this sort in his mind, each group of words that represents a sentence should represent also one idea, no more and no less. In this way each thought is shown complete and single, an independent thing separated from everything else.

"From the writer's point of view, also, the principle of unity is one of especial and practical consequence. By its means he is able to make a separation of his ideas, to recognize one idea as it stands by itself, and finally, isolating it, so to say, in a single sentence, to make its unity evident to the reader. By this principle he decides what modifications and qualifications do, and what do not, belong to a sentence, and accordingly by it he tests words, phrases, and clauses. For the writer, then, the principle of unity as applied to the sentence performs a twofold service. It teaches him to recognize a thought as a unit to be expressed in one sentence, and it forms a text by which may be detected in that sentence, when it is written, the presence of any word or phrase that is irrelevant."

THEODORE R. LOESCHNER, Pace Institute, who was formerly employed by Thompson Brown Company, has entered the employ of the accounting department of George Borgfeldt & Company.

HARRY C. McCARTHY, New York School of Accountancy, has recently accepted a position on the accounting staff of the U. S. Food Administration Commission. Mr. McCarthy was formerly employed by the Federal Trade Commission.

CHARLES FROST, Accountancy Institute of Brooklyn, has recently joined the accounting staff of the Artcraft Picture Corporation. Mr. Frost was formerly employed by Nathan Sandler.

EVERETT K. HARTLEY, New York Institute of Accountancy, has recently joined the staff of Elmer B. Yale, C.P.A. Mr. Hartley was formerly connected with the Underwood Typewriter Co.

ADOLPH AST, Accountancy Institute of Brooklyn, has resigned his position with the London Assurance Corporation to join the accounting department of the American Water Works and Electric Company.

ARTHUR ANDERSEN, Accountancy Institute of Brooklyn, has recently accepted a position on the bookkeeping staff of Dominick & Haff. Mr. Andersen was formerly employed by the Western Union Telegraph Company.

F. FLOYD JONES, Pace Institute, has left the engineering department of the Southern Pacific Company to accept the position of junior land appraiser with the Interstate Commerce Commission. Mr. Jones ranked first on the certified list for the Pacific District.

J. B. SUMNER, who has just finished Semester A at the Los Angeles school, has recently given up the practice of public accounting in Los Angeles to accept a position in a cost accounting capacity with the Ministry of Munitions of War of the British Government.

C. R. WHITWORTH, A.C.A., C.P.A., resident manager of Touche, Niven & Company, Chicago, Illinois, of the faculty of Pace Institute, Chicago, attended the American Institute Convention at Washington, and visited the Pace offices in New York in September.

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JOHN S. WATERFIELD, Pace Institute, Extension Division, has joined the Reserve Officers' Corps and is undergoing training at Fort Myer, Virginia.

JOHN E. EVANS, Pace Institute, Washington, D. C., 1914, is now a member of the Army Aviation Corps and is undergoing training at Princeton, New Jersey.

ERNEST B. HANSON, New York Institute of Accountancy, has resigned his position with the John T. Stanley Company to accept the post of bookkeeper for the Erie Specialty Company.

CLINTON E. ROBINS, Accountancy Institute of Brooklyn, has resigned his position as bookkeeper of the Vandyck Churchill Company to take charge of the bookkeeping department of the Brooklyn Central Y.M.C.A.

WALTER E. OATES, New York, Institute of Accountancy, has accepted a position in the accounting department of the International Paper Company. Mr. Oates was formerly employed by the Hampton Shops.

MAXWELL A. DENECKE, Accountancy Institute of Brooklyn, has recently joined the staff of Whittlesey, Myer & Wythes, certified public accountants. Mr. Denecke was formerly on the staff of Norris & Company.

FRED L. PANICK, who was formerly employed as accountant and office manager for Chapal Frères, has accepted, through the Pace Agency for Placements, Inc., a position on the staff of Ernst & Ernst, public accountants.

EDWIN P. AGNEW, Accountancy Institute of Brooklyn, recently resigned his position with the American Machinery & Foundry Company to accept the post of accountant for the Atlantic, Gulf & West Indies Steamship Company.

JOHN H. MONROE, who was formerly employed as cashier and chief accountant for the Lenox Shops, has accepted, through the Pace Agency for Placements, Inc., the position of cost accountant for the East Orange plant of Seabury & Johnson.

B. E. HUNSINGER, A.B., has joined the staff of Pace Institute, Baltimore.

S. J. HILARIDES, Pace Institute, Washington, has joined the 6th Company, Officers' Reserve Corps, Ft. Myer, Virginia.

GEORGE T. CURRY, JR., Pace Institute, Extension Division, has recently joined the Reserve Officers' Training Camp at Chattanooga, Tennessee.

MATTHEW J. EDER, Pace Institute, New York, English Classes, recently became editor of the *National Police Journal*, an educational magazine for police officers.

MISS JANE M. HARMON, Pace Institute, has resigned her position with J. T. Morris to accept the post of bookkeeper for the Cortina Academy of Languages.

EDWARD H. BISHOP, Pace Institute, has resigned his position with Borden's Condensed Milk Company to accept a position in the accounting department of Lamport & Holt.

J. P. HASSLER, Cleveland School of Accountancy, 1917, formerly of the staff of H. M. Standart, public accountant, Cleveland, has left for France as sergeant in the Quartermaster's Reserve.

H. H. HAIGHT, C.P.A., of the Pace Staff of Instructors, has resigned as chief accountant of Marden, Orth & Hastings, to accept an executive position in the Atlantic and Pacific Tea Company.

ROBERT J. EDDY, Pace Institute, Extension Division, has accepted a position as cost accountant with the J. H. White Manufacturing Company. Mr. Eddy was formerly employed by Atkinson & Company.

THOMAS M. ELCOCK, Pace Institute, Boston, 1915, has received an appointment as cost accountant for the Federal Trade Commission, at Washington, D. C. Mr. Elcock was formerly on the staff of Patterson, Teele & Dennis, of Boston.

DAVID H. BROCKETT, Pace Institute, Extension Division, formerly employed in the auditing division of the Winchester Repeating Arms Company, New Haven, Conn., has accepted a position in the financial department of The Savage Arms Co., at Utica, New York.

*Personal
Notes*

Aesop
in Busi-
ness—
John

HERE was once a young Executive named John.

His Virtues were Plentiful and Prominent. He had Ascended from a Cellar Start with the Company. In re John, the Directors had cataloged Industry on Page One. After a period of Years, they invited him to Occupy the Swivel Chair behind the Glazed Doors.

John had not Lived thirty-six years without Learning a Thing or Two. He knew that Results Counted. He also knew that Assiduous Industry is the Unsmiling Mother of Said Results. He deemed Failure to Advance the consequence of Sparing Yourself.

Accordingly, John raised his Industry to the Nth Degree. He did not Bethink himself of its already being too Virtuous a Virtue. He believed that the Matutinal Bird captures the Fattest Worm. His favorite Managerial Maxim was, "Get on the Job Early and Stay on it Late."

John looked upon the Delegation of Responsibility as a Managerial Misdemeanor. He conceived Em-

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ployees to be Inferior Beings Prefated to do Small Things and receive Small Wages. He took the Position that what you Don't Do Yourself will be Poorly Done.

As General Executive, John enthroned this Fundamental Belief as his Guiding Policy. He tried to be the Chief Cook and Baker of every Department Pie. He purchased goods for the Purchasing Agent. He wrote a "Busy Man's Letters" to the Salesmen, ignoring the Sales Manager. He showed the Chief Accountant how to keep the Records. He insisted on Answering all the routine mail Personally. He considered himself the Proper Person for all Business Callers to See.

At the End of his first Fiscal Year as G. E., John took an Inventory of Conditions and Results. His Net Conclusions Damaged his Self-Sufficiency.

The Volume of Output had not

Grown. The Cost of Serving Commerce had Aviated. Several of the Ablest Department Heads had Given Notice. The Minor employees had Acquired Glum Faces; even their Pay Envelopes did not Overjoy them. John himself was Ready for an Indefinite Parole to a Health Farm.

MORAL: Management means Doing what the Other Fellow Cannot Do.

JOHN H. TURNER, Pace Institute, Extension Division, has joined one of the units of the permanent force of the Canadian army with the rank of corporal, and expects within a short time to be promoted to sergeant.

E. B. LeCLAIRE, Pace Institute, Extension Division, has recently resigned his position with the United States Reclamation Service at Provo, Utah, and accepted a position as head bookkeeper and head office man with the Purity Bread Company, of Billings, Montana.

"I will master Accountancy and Business Administration."

This decision has been the foundation stone of many a successful business career. It has forced down the wall between routine jobs and supervisory positions of importance. It has enabled bookkeepers to become auditors and accountants; clerks, to become department managers, treasurers, and controllers; and special-task workers with small market value, to become broad, many-sided executives with high market value. It has been the leaven which has quickened the ambition of hundreds of forward-looking men and women, and finally transformed them from economic drudges into practicing accountants with profitable clienteles and business executives discharging responsible duties.

The war will end. With the coming of peace, much of the industrial, commercial, and financial fabric of the world will need to be woven anew. Countless problems of rehabilitation, readjustment, and expansion will arise. Government and commerce will issue thousands of hurry-calls for trained man-power. The men needed most will be those who have mastered the objects, the principles, the processes, and the procedures of Business as a science. The accountant with executive training and the executive trained in Accountancy will be needed for Governmental and commercial service.

THE PACE STANDARDIZED COURSE

This course has an established reputation for giving thorough training in Accountancy and Business Administration. It has earned the ungrudging support of the Accountancy profession and of scores of business organizations, that direct the educational training of their employees. Pace graduates stand high both as practicing accountants and as executives in varied kinds of business enterprises.

Send for a complimentary copy of *Your Market Value*, a 36-page booklet which contains a vocational message of personal importance to every man and woman to whom the attainment of business success is a serious matter.

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